

November 15, 2021

Brian Zolynas
Division of Medicaid and Children's Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA #21-025, Nursing Facility DAP

Dear Mr. Zolynas:

Enclosed is State Plan Amendment (SPA) #21-025, NF DAP. This SPA updates the State Plan Nursing Facility Differential Adjusted Payment (NF DAP) program, effective October 1, 2021.

Tribal Consultation on this SPA occurred on August 12, 2021. The Tribal Consultation presentation is available at the following website:

- https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2021/August12_2021QuarterlyTC.pdf

Public Notice for this rate update was posted on the following websites:

- <https://www.azahcccs.gov/AHCCCS/PublicNotices/>
- <https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAPFinalNoticeCYE2022.pdf>

If there are any questions about the enclosed SPA, please contact Ruben Soliz at ruben.soliz@azahcccs.gov or 602-417-4355.

Sincerely,



Dana Flannery
Assistant Director
Arizona Health Care Cost Containment System (AHCCCS)

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING FEE FOR SERVICE PAYMENT RATES
FOR LONG TERM CARE FACILITIES

F. Nursing Facility Differential Adjusted Payment

As of October 1, 202~~19~~¹⁰ through September 30, 202~~21~~²¹ (Contract Year Ending (CYE) 20221), Provider type 22 nursing facilities that are located in Arizona with Arizona Medicaid utilization that meet AHCCCS established value based performance metrics requirements below will receive one or both of the Differential Adjusted Payments described below. The Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. These payment adjustments will occur for all dates of service in CYE 2022 only. The purpose of the Differential Adjusted Payment is to distinguish facilities which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth.

1. To qualify for the Differential Adjusted Payment, a nursing facility must meet the following criteria:
 - a. Must be an AHCCCS registered provider type 22; and
 - b. Must be at or below the Arizona average percent of High-Risk Residents with Pressure Ulcers (Long Stay) based on the facility's performance results for long-stay, high-risk residents with Stage II-IV pressure ulcers reported in MDS 3.0 for this CMS Nursing Home Quality Measure metric as of May 12, 2020 .
 - c. **Must meet the following Health Information Exchange (HIE) milestones are eligible to participate in this DAP initiative and earn a 1.0% DAP increase. In order to qualify, by April 1, 2021 the facility must have submitted a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates:**
 - i. **Milestone #1: No later than April 1, 2021, the facility must have in place an active participation agreement with a qualifying HIE organization and submit a LOI to AHCCCS and the HIE, in which it agrees to achieve the following milestones by the specified dates or maintain its participation in the milestone activities if they have already been achieved.**
 - ii. **Milestone #2: No later than May 1, 2021, facilities that utilize external reference labs for any lab result processing must submit necessary provider authorization forms to the qualifying HIE, if required by the external reference lab, to have all outsourced lab test results flow to the qualifying HIE organization on their behalf.**
 - iii. **Milestone #3: No later than October 1, 2021, the facility must approve and authorize a formal SOW with a qualifying HIE organization to develop and implement the data exchange necessary to support transmission of certain data elements. The facility will be required to submit the data elements outlined in Milestone #4.**
 - iv. **Milestone #4: No later than April 1, 2022, the facility must electronically submit the following actual patient identifiable information to the production environment of a 15 qualifying HIE organization: admission, discharge and transfer information (generally known as ADT information) from within the**

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nursing facility; continuity of care documents reflecting a summary of care within the nursing facility including (if applicable): laboratory and radiology information; medication information; immunization data; active problem lists (diagnosis); social history; treatments and procedures conducted during the stay; advanced directives; active allergies; and basic patient demographic data including assigned provider, emergency contact and payer.

- v. Milestone #5: By the facility's go-live date for new data suppliers, or within 30 days of initiating the respective COVID-19 related services for current data suppliers, the facility must complete the following COVID-19 related milestones, if they are applicable:
1. Related to COVID-19 testing services, submit all COVID-19 lab test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 2. Related to COVID-19 antibody testing services, submit all COVID-19 antibody test codes and the associated LOINC codes to the qualifying HIE organization to ensure proper processing of lab results within the HIE system.
 3. Related to COVID-19 immunization services, submit all COVID-19 immunization codes and the associated CDC-recognized code sets to the qualifying HIE organization to ensure proper processing of immunizations within the HIE system. For any milestone that includes electronic submission of patient information, the information transferred to the qualifying HIE must be actual patient data; the transfer of test data does not fulfill these requirements. It must include all patient data, including behavioral health data and data covered by 42 C.F.R. Part 2.

In order to receive the 1.0% DAP increase for HIE participation a facility must submit a LOI to the HIE and AHCCCS by April 1, 2021 to both of the following email addresses: AHCCSDAP@azahcccs.gov, and DAP@healthcurrent.org.

If a facility has already achieved one or more of the CYE 2022 milestones as of April 1, 2021, the LOI must include a commitment by the facility to maintain its participation in those milestone activities for the period April 1, 2021 through September 30, 2022. The LOI must list each facility that the Nursing Facility requests to participate in this DAP initiative and must include the AHCCCS IDs for each listed facility. In all cases, the Nursing Facility must submit the AHCCCS IDs for each listed facility as part of the LOI or must email the associated AHCCCS IDs to the email addresses noted. If a facility submits a LOI and receives the 1.0% DAP increase for CYE 2022 but fails to achieve one or more of the milestones by the specified date or fails to maintain its participation in the milestone activities, that facility will be ineligible to receive DAP for dates of service from October 1, 2022 through September 30, 2023 (CYE 2023) if a DAP is available at that time.

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~~On May 12, 2020, AHCCCS will download data from the Medicare Nursing Home Compare website for the percent of long-stay residents with a urinary tract infection (UTI). Facility results will be compared to the Arizona Average results for the measure. Facilities with percentages less than or equal to the state-wide average score will qualify for the DAP increase.~~

2. Nursing facilities that meet the requirements described in subsection 1 shall be eligible to receive a differential adjusted payment. Eligible nursing facilities as described in 1.b. will receive a 1% increase to its fee-for-service reimbursement rate for October 1, 2020 through September 30, 2021.

Nursing facilities that meet the requirements described in subsection 1 shall be eligible to receive a differential adjusted payment. Eligible nursing facilities as described in 1.c. will receive a 1% increase to its fee-for-service reimbursement rate for October 1, 2020 through September 30, 2021.

Exemptions

IHS and 638 tribally owned and/or operated facilities, including nursing facilities are exempt from this initiative based on payments primarily at the all-inclusive rate.

Payment Methodology

For Provider Type 22 nursing facilities, the fee-for-service payment rates will be increased by 1.0% if they meet the Pressure Ulcer requirements outlined in F.1.b and by 1.0% if they meet the UTI performance requirements outlined in F.1.c. A Provider Type 22 facility meeting both Pressure Ulcer and UTI requirements will receive a combined 2.0% increase. These increases do not apply to supplemental payments.